



U.S. Department of Justice

United States Attorney

Eastern District of Pennsylvania

615 Chestnut Street

Suite 1250

Philadelphia, Pennsylvania 19106-4476

(215) 861-8200

FOR IMMEDIATE RELEASE

December 9, 2004

**ACCOUNTANT, SON OF CONVICTED SYNAGOGUE
BOOKKEEPER, CHARGED WITH \$10 MILLION THEFT
AND TAX EVASION**

PHILADELPHIA – United States Attorney Patrick L. Meehan, I.R.S. Special Agent-in-Charge Jerome Lisuzzo, and F.B.I. Special Agent-in-Charge John C. Eckenrode announced the indictment of Denis I. Shusterman, 43, currently a resident of Carlsbad, California, charging him with committing a theft of more than \$10 million, as well as tax evasion, bankruptcy fraud, and bank fraud.¹

The indictment charges that Shusterman, while employed by Leslie Edelman of Montgomery County, Pennsylvania between September 1996 and March 2003 as the chief financial officer of Edelman's companies, stole more than \$10 million from Edelman and those companies. The primary victim was Kimber Mfg., Inc., a firearms manufacturer in Yonkers, New York owned by Edelman. The indictment alleges that Shusterman embezzled funds by transferring money from Kimber's accounts directly to his own, by directly paying his personal creditors with funds from Kimber's accounts, by transferring additional money from Kimber's accounts to ventures in which Shusterman had an interest, and by taking other actions to benefit himself financially at Edelman's expense.

Denis Shusterman is the son of Betty Shusterman, who was convicted by a federal jury in Philadelphia in September 2003 on charges that she, while employed as the bookkeeper of Temple Sinai in Dresher, Pennsylvania between 1991 and 2000, participated in the theft of more than \$1.3 million from that synagogue. Betty Shusterman is presently serving a sentence of 51 months imprisonment at the federal institution in Danbury, Connecticut. While Betty Shusterman's and Denis Shusterman's alleged offenses overlapped in time, neither was involved in or directly benefitted from the other's conduct.

¹ An indictment or information is an accusation. A defendant is presumed innocent unless and until proven guilty.

June 29, 2004

Page 2

Until the fall of 2001, Denis Shusterman resided in Fort Washington, Pennsylvania. He then moved to San Diego County. The indictment states that throughout this period, Denis Shusterman spent over \$5 million of money he stole to produce three motion pictures; invested over \$1.2 million in the creation and maintenance of a financial services firm in Philadelphia; lost over \$200,000 in aggressive stock trading; purchased a \$2.2 million home in Rancho Santa Fe, California, using \$585,000 in stolen money as the entire down payment; and spent the rest of the money on a lavish lifestyle.

The indictment also states that Denis Shusterman engaged in bankruptcy fraud, by making false statements in a bankruptcy proceeding to avoid the payment of more than \$180,000 which he allegedly owed to the IRS; and committed bank fraud in order to obtain on false pretenses a mortgage loan to acquire the California house.

Finally, the indictment charges that Shusterman engaged in multiple acts of tax evasion, in order to evade more than \$1 million in federal taxes owed for the years 1997 through 2003.

The indictment returned today is a superseding indictment, which replaces and substantially enhances a bank fraud charge which was previously filed under seal. In the superseding indictment, Denis Shusterman is charged with 35 counts of wire fraud, in violation of 18 U.S.C. § 1343; one count of bankruptcy fraud, in violation of 18 U.S.C. § 157; one count of perjury, in violation of 18 U.S.C. § 1623; one count of bank fraud, in violation of 18 U.S.C. § 1344; one count of tax evasion, in violation of 26 U.S.C. § 7201; nine counts of filing false tax returns, in violation of 26 U.S.C. § 7206(1); and three counts of procuring the presentation of false statements to the IRS, in violation of 26 U.S.C. § 7206(2). If convicted of all counts, he faces a total maximum term of imprisonment of 331 years, as well as a fine of \$13,500,000 and criminal forfeiture.

United States Attorney Meehan and Agents Lisuzzo and Eckenrode also announced that in a related matter, a criminal information was filed today against Jerome I. Roman, 61, of Brewster, New York, and Richard Malak, 65, of Blue Bell, Pennsylvania, charging each with one count of filing a false tax return, in violation of 26 U.S.C. § 7206(1). As explained in the Denis Shusterman indictment, Roman and Malak participated in an effort with Shusterman in 1998 to take control under false pretenses of a defense contractor owned by Leslie Edelman, and then Shusterman, Roman, and Malak personally profited from this acquisition. The information alleges that Roman did not report to the IRS \$37,769 which he received, and Malak did not report \$60,000 which he received. If convicted of the charge against each of them, Roman and Malak each faces a maximum sentence of three years imprisonment, and a fine of \$250,000.

June 29, 2004
Page 3

The Denis Shusterman case was investigated by the Criminal Investigation Division of the Internal Revenue Service, with the assistance of the Federal Bureau of Investigation, the Defense Criminal Investigative Service, and the Department of the Army, Criminal Investigation Command. The matter has been assigned for prosecution to Assistant United States Attorney Robert A. Zauzmer.

**UNITED STATES ATTORNEY'S OFFICE
EASTERN DISTRICT, PENNSYLVANIA
Suite 1250, 615 Chestnut Street
Philadelphia, PA 19106**

**Contact: RICH MANIERI
Public Affairs
215-861-8525**

COPIES OF NEWS MEMOS AND RELATED DOCUMENTS CAN ALSO BE FOUND AT
[HTTP://WWW.USDOJ.GOV/USAO/PAE](http://www.usdoj.gov/usa0/pae)